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August 25, 2000

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Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505


In Re: *Generic Docket to Establish UNE Prices for Lines Sharing per FCC 99-355, and
Riser Cable and Terminating Wire as Ordered in TRA Docket 98-00123.*
Docket No. 00-00544

Dear David:

Please find enclosed the original and thirteen copies of Reply Comments filed on behalf of NEXTLINK Tennessee, Inc. and Time Warner Telecom of the Mid-South., LP in the above-captioned proceeding.

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:


Henry Walker

HW/nl
Attachment
c: Parties

POSTED
8/28/00

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In re: Generic Docket To Establish UNE Prices)
for Line Sharing Per FCC 99-355, and) Docket No. 00-00544
Riser Cable and Terminating Wire as)
Ordered in TRA Docket 98-00123)

REPLY COMMENTS OF NEXTLINK TENNESSEE, INC. AND
TIME WARNER TELECOM OF THE MID-SOUTH , L.P.

NEXTLINK Tennessee, Inc. (NEXTLINK) and Time Warner Telecom of the Mid-South, L.P. (Time Warner) (the "Intervenors") submit the following reply comments concerning the interim rates proposed by BellSouth Telecommunications, Inc. (BellSouth").

UCL LOOP

The Intervenors agree with the Reply Comments filed by the DATA Coalition and emphasize that a clean copper loop ("UCL") under 18,000 feet is no different than a voice grade loop of the same length. For purposes of this interim proceeding, both should be priced at the same rate. If BellSouth can later demonstrate that loop conditioning expenses should be added to the voice grade loop cost (in a forward looking cost model) the TRA can make appropriate adjustments to the "UCL" loop rate subject to a true-up.

The whole idea of creating a new product called an "unbundled copper loop" seems to be nothing more than a scheme by BellSouth to raise the price of a DSL-compatible loop. Last November, for example, NEXTLINK and BellSouth filed with the TRA an interconnection agreement which contains language which seems perfectly to describe an "unbundled copper loop."

The agreement states:

2.5.3 In some instances, NEXTLINK shall require access to copper twisted pair loop combination unfettered by any intervening equipment (e.g. filters, load coils, range extenders, etc.), so that NEXTLINK can use the loop for a variety of services by attaching appropriate terminal equipment at the ends. NEXTLINK shall determine the type of service that will be provided over the loop. NEXTLINK may be required to pay additional reasonable charges for the removal of certain types of equipment; provided that BellSouth shall make reasonable efforts to provision the loop as requested, including any removal of equipment, at no additional charge to NEXTLINK.

That language certainly describes the functionality required to provide DSL service and requires BellSouth to “make reasonable efforts” to provide that functionality “at no additional charge.” After the agreement was signed, however, BellSouth apparently decided to create a new UNE called an “unbundled copper loop” which is exactly the same as the product described above. Moreover, BellSouth refused to provide NEXTLINK with a clean loop pursuant to this section of the agreement unless NEXTLINK executed an amendment which referred specifically to “UCLs.” NEXTLINK signed the amendment in order to obtain the clean loops without further delay. This incident seems to demonstrate that the concept of a separate UNE called an “unbundled copper loop” is just an old wine in a new bottle...at a higher price.

OTHER UNEs

The Intervenors are concerned that BellSouth may be using this docket to invent other UNEs. By expanding this docket to include UNE rates from other pending arbitrations and from the FCC’s 319 Order, the Hearing Officer did not give BellSouth an open invitation to invent new UNEs or to re-argue issues that are already before the agency in the ongoing “permanent price” docket.

Therefore, the Intervenor believe that BellSouth should briefly explain the source of each rate in BellSouth's proposal and state whether or not the proposed UNE is already under consideration by the TRA in another proceeding.

REGIONAL "PICK AND CHOOSE"

In reviewing BellSouth's offer to fix interim rates equal to the lowest UNE rate offered by BellSouth to any CLEC in the region, the TRA should insure that BellSouth's proposed rates are, in fact, the lowest available rates for that UNE or for that functionality. Therefore, the TRA should require that:

1. BellSouth certify that each such rate is the lowest offered or currently provided to any CLEC in the region;
2. Should any carrier be paying a lower rate for the same element or service than the interim rate proposed by BellSouth, all carriers should be entitled to a retroactive true-up to the lower rate.

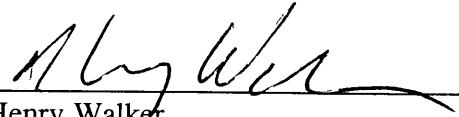
NEXTLINK, for example, is currently paying \$46.80 in non-recurring charges and \$18.00 in recurring charges for ISDN loops. In this proceeding, however, BellSouth has proposed interim rates of \$233.38 and \$25.43, respectively, for the same loops. The Intervenor are concerned there may be other errors in BellSouth's proposal. At a minimum, the TRA should require BellSouth to certify that the company has searched its billing records (as opposed to agreements, tariffs, and orders) to identify the lowest rates in the region. BellSouth's proposed "reasonable efforts" test is not good enough.


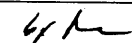
CONCLUSION

In sum, the Intervenor support the reply comments filed by the DATA Coalition. In setting

interim rates for elements or services not discussed by the Coalition, the Intervenor endorses the regional pick and choose approach with the safeguards described above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, to the following on this the 25th day of August, 2000.

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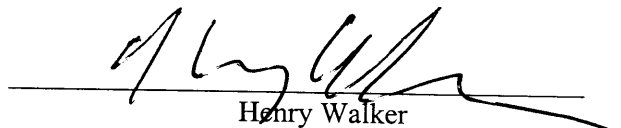
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